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TAGS: PGOV PREL ECON EINV CH HK MC

SUBJECT: CONSUL GENERAL'S FAREWELL CALL ON MACAU SECRETARY
FOR ADMINISTRATION AND JUSTICE FLORINDA CHAN

Classified By: CONSUL GENERAL JOE DONOVAN FOR REASONS 1.4(B) AND (D).

¶1. (C) In his farewell call on Macau Secretary for Administration and Justice Florinda Chan on July 13, the Consul General expressed appreciation for Secretary Chan's hard work in strengthening U.S.-Macau ties in areas such as trafficking in persons and law enforcement. The CG congratulated the Macau Special Administrative Region Government (MSARG) for the dramatic economic progress over the past several years. Asked about her future plans following conclusion of Chief Executive Edmund Ho's second and final term of office this December, Chan said there were two possible paths: she could continue in government if the new Chief Executive (almost certainly Fernando Chui) requested her to do so, or retire. Chan noted she has been in government for more than 36 years. Over the final months of the Ho administration, Chan said she wanted to work hard to ensure the CE closes the door of his ten years in office with a "golden key." She expressed great appreciation for Ho's decision ten years ago to move her to a high position after being a "simple civil servant."

¶2. (C) Asked to comment on Macau's biggest challenges, Chan singled out the MSAR's need to weather the global economic downturn and keep Macanese unemployment -- currently around 3.5 percent -- in check. It has done this primarily through encouraging layoffs of foreign workers. About 20 percent of the foreign workforce has been let go over the past year. In response to the CG's observation that some foreign companies had expressed concerns over the dismissal of foreign workers, Chan defended the government's policy of putting the interests of Macau's residents first. As a small economy highly dependent on the gaming sector, Macau depends heavily on tourism, Chan said, and must work with other regional economies, like Hong Kong to "help each other" in a region of growing economic interdependence. Asked if she felt Beijing might relax its restrictive visa policy to permit mainlanders to travel more easily to Macau, Chan offered only that "Beijing has to look at other factors." Another challenge, said Chan, is to make sure Macau's civil service grooms the next generation to carry out the one country, two systems framework of governance. The MSARG cannot rely on importing people to do this, she said.

¶3. (C) In concluding remarks, Chan expressed appreciation for U.S. assistance to Macau that has led to strong anti-trafficking in persons legislation, anti-money-laundering policies and increased counter-terrorism cooperation. The CG echoed the importance Chan attached to law enforcement cooperation and said it was important to have strong rule of law in Macau. He said the U.S. looked forward to seeing Macau develop as a major tourism and gaming hub for the region. Chan reiterated the importance of foreign investment to Macau's economic growth and expressed the MSARG's deep appreciation for the role of U.S. investment.

DONOVAN